

# Senate Bill 422

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## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Prohibits contracting agency from requiring contractor in contract for architectural, engineering and land surveying services or related services to obtain and maintain in force liability insurance with combined single limit that exceeds \$1 million unless contracting agency makes determination after considering certain factors or unless contracting agency pays portion of premium cost that is attributable to increased combined single limit.

Becomes operative January 1, 2012.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

1  
2 Relating to insurance requirements in public contracts for professional services; and declaring an  
3 emergency.

4 **Be It Enacted by the People of the State of Oregon:**

5 **SECTION 1. Section 2 of this 2011 Act is added to and made a part of ORS 279C.100 to**  
6 **279C.125.**

7 **SECTION 2. (1) Except as provided in subsections (2) and (3) of this section, a contracting**  
8 **agency may not require in a contract for architectural, engineering and land surveying ser-**  
9 **vices or related services that a contractor obtain and maintain in force insurance for general**  
10 **liability or professional liability with a combined single limit that exceeds \$1 million.**

11 **(2) A contracting agency may require insurance with a combined single limit that exceeds**  
12 **\$1 million if the contracting agency demonstrates that the contracting agency has considered**  
13 **the amount of the contract price, the type of service specified in the procurement and the**  
14 **cost to the contractor of obtaining the insurance and has determined that a higher combined**  
15 **single limit is appropriate.**

16 **(3) A contracting agency may require a contractor to obtain insurance with a combined**  
17 **single limit that exceeds \$1 million if the contracting agency pays for the portion of the cost**  
18 **of the insurance premium that is attributable to raising the amount of the combined single**  
19 **limit above \$1 million.**

20 **SECTION 3. Section 2 of this 2011 Act applies to contracts for architectural, engineering**  
21 **and land surveying services or related services that a contracting agency first advertises or**  
22 **otherwise solicits on or after the operative date specified in section 4 of this 2011 Act or, if**  
23 **the contracting agency does not advertise or solicit the contract, to contracts that the con-**  
24 **tracting agency first enters into on or after the operative date specified in section 4 of this**  
25 **2011 Act.**

26 **SECTION 4. (1) Section 2 of this 2011 Act becomes operative on January 1, 2012.**

27 **(2) The Director of the Oregon Department of Administrative Services, the Attorney**

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **General or a contracting agency that adopts rules under ORS 279A.065 may take any action**  
2 **before the operative date specified in subsection (1) of this section that is necessary to enable**  
3 **the director, the Attorney General or the contracting agency to exercise, on and after the**  
4 **operative date specified in subsection (1) of this section, all of the duties, functions and**  
5 **powers conferred on the director, the Attorney General or the contracting agency by section**  
6 **2 of this 2011 Act.**

7 **SECTION 5. This 2011 Act being necessary for the immediate preservation of the public**  
8 **peace, health and safety, an emergency is declared to exist, and this 2011 Act takes effect**  
9 **on its passage.**

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